

# Sweetener Users Association Conference Call

August 13, 2021

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# SUA August 2021: What's Happening in Sugar . . .

. . . Since our July conference call and update

## ■ Domestic, 2020-21:

- Spot refined beet and cane prices were raised more than once.
- Nearby No. 16 raw sugar future off 9½-year high after Sept. expired, but spot month still up more than 25% from year ago.
- No USDA actions on sugar imports.
- Oct.-June deliveries for human use improved to -0.9% from year ago vs -1.1% for Oct.-May; WASDE still at -0.8% from 2019-20.
- Beet harvest to start late in Red River Valley; tightens supplies.

## ■ Domestic, 2021-22:

- US sugar beet crops challenged but not quite as bad as feared.
- USDA raises 2021-22 US beet sugar production forecast by 0.9%.
- Refined sugar prices are raised at least once by all sellers.

■ **Global raw sugar prices have firmed to four-year highs on weather woes in Brazil despite signs of weak nearby demand, with some now expecting global deficit in 2021-22.**

# SUA August 2021: Overview

- **US Sugar supply/demand – August 2021**
  - **For 2020-21:** Beet sugar production lowered 51,000 tons due to late start to harvest in RRV.
  - No. 16 tops 37c; spot refined cane at 49c, both 9-year highs.
  - Imports raised as higher re-export imports and Philippine TRQ more than offset lower imports from Mexico.
  - Exports raised 10,000 tons.
  - **For 2021-22:** Only changes based on changes for 2020-21 - lower beginning stocks and higher beet sugar production.
  - Deliveries for 2020-21 and 2021-22 were unchanged from July.
- **Corn sweetener supply/demand**
  - Prices for 2022 likely sharply higher.
  - USDA 2021 corn production forecast below expectations.
  - Mexico's Oct.-June HFCS consumption down 4.3% (down 3.6% for Oct.-May); forecast down 4.5% for full year.

# SUA August 2021: USDA August WASDE

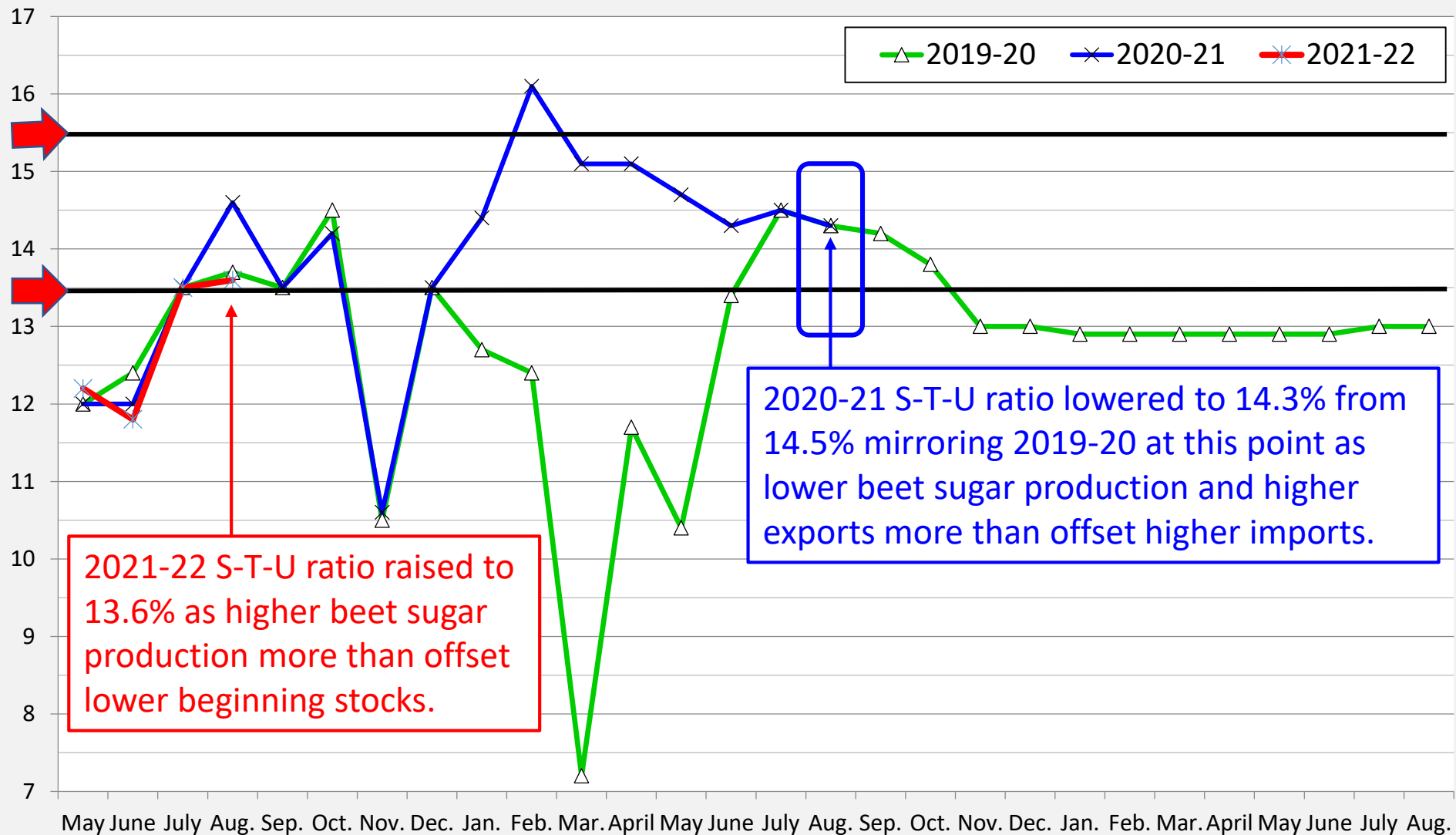
1,000 STRV	August	Change from July		Change from 19-20		August	Change from July		Change from 20-21		RS-SPC
	20-21	Tons	%	Tons	%	21-22	Tons	%	Tons	%	20-21
Begin. Stocks	1,618	-	0.0%	(165)	-9.3%	1,753	(24)	-1.4%	135	8.3%	1,620
Production	9,234	(52)	-0.6%	1,085	13.3%	9,048	40	0.4%	(186)	-2.0%	9,225
Beet	5,063	(51)	-1.0%	712	16.4%	5,078	45	0.9%	15	0.3%	5,060
Cane	4,171	(1)	0.0%	373	9.8%	3,970	(5)	-0.1%	(201)	-4.8%	4,165
Imports	3,177	39	1.2%	(966)	-23.3%	3,136	-	0.0%	(41)	-1.3%	3,155
T.R.Q.	1,789	11	0.6%	(363)	-16.9%	1,387	-	0.0%	(402)	-22.5%	1,780
Other Prog.	245	45	22.5%	(187)	-43.3%	250	-	0.0%	5	2.0%	245
Mexico	963	(18)	-1.8%	(413)	-30.0%	1,449	-	0.0%	486	50.5%	955
High Tier	180	-	0.0%	(3)	-1.6%	50	-	0.0%	(130)	-72.2%	175
Ttl Supply	14,028	(14)	-0.1%	(46)	-0.3%	13,937	16	0.1%	(91)	-0.6%	14,000
Exports	45	10	28.6%	(16)	-26.2%	35	-	0.0%	(10)	-22.2%	45
Deliveries	12,230	-	0.0%	(92)	-0.7%	12,230	-	0.0%	-	0.0%	12,255
Food	12,125	-	0.0%	(99)	-0.8%	12,125	-	0.0%	-	0.0%	12,150
Other	105	-	0.0%	7	7.1%	105	-	0.0%	-	0.0%	105
Misc.	-	-	0.0%	(74)	-100.0%	-	-	-	-	-100.0%	-
Total Use	12,265	-	0.0%	(192)	-1.5%	12,265	-	0.0%	-	0.0%	12,300
End. Stocks	1,753	(24)	-1.4%	135	8.3%	1,672	16	1.0%	(81)	-4.6%	1,700
Stocks-to-use*	14.3%	-0.2		+1.3		13.6%	+0.1		-0.7		13.8%

No major differences in my expectations for 2020-21 from USDA's; still expect small increase in domestic deliveries.

\* S-T-U Ratio change is from prior S-T-U, not in tons or per cent.

# SUA August 2021: Monthly S-T-U Ratios

Two-year S-T-U ratios in per cent, beginning with first forecast in May for each marketing year.



2021-22 S-T-U ratio raised to 13.6% as higher beet sugar production more than offset lower beginning stocks.

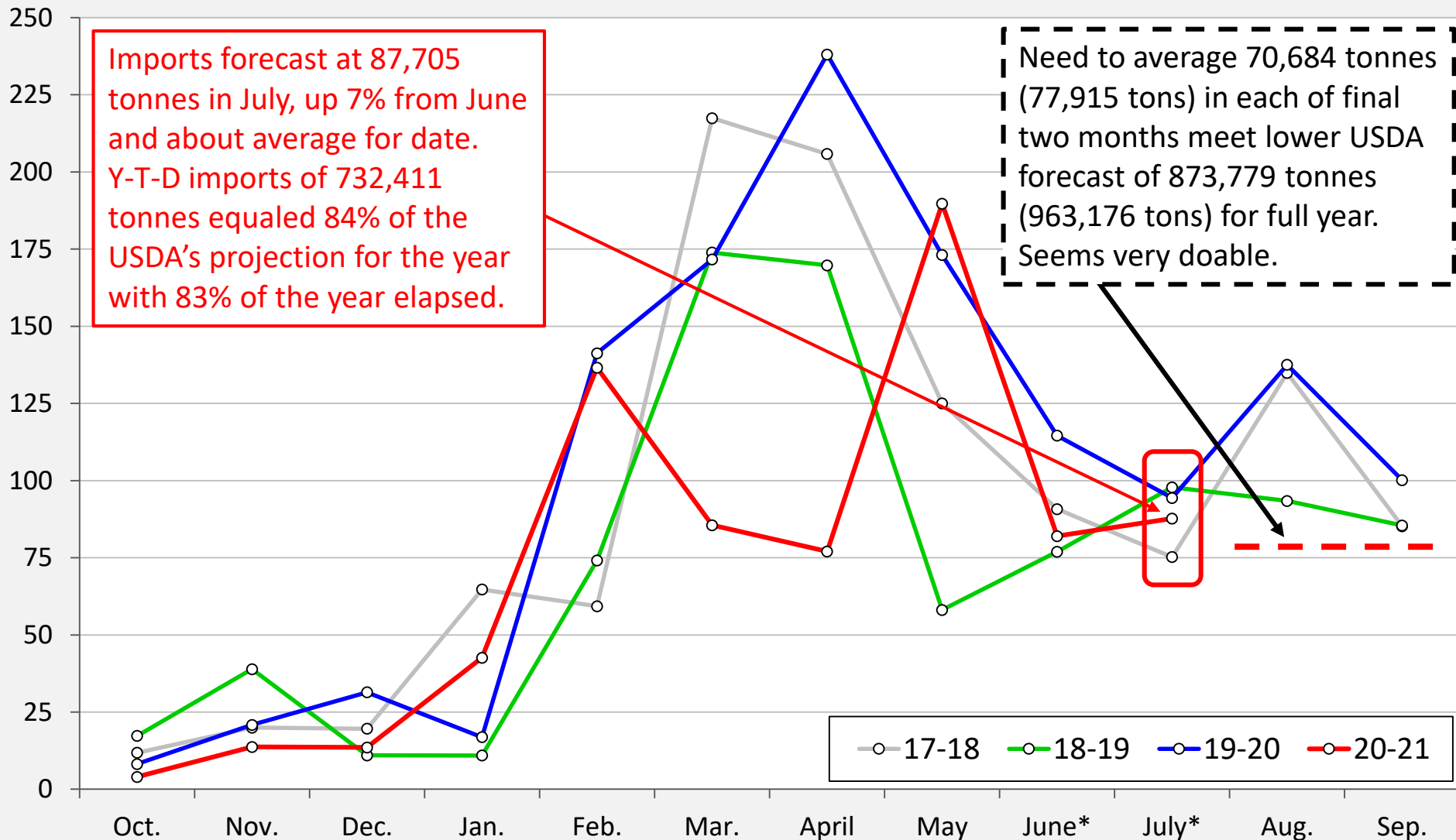
2020-21 S-T-U ratio lowered to 14.3% from 14.5% mirroring 2019-20 at this point as lower beet sugar production and higher exports more than offset higher imports.

Source: USDA



# SUA August 2021: Imports from Mexico

In 1,000 tonnes, raw value. \*2020-21 forecast. Sources: USDA and US Census Bureau



# SUA August 2021: Year-To-Date Sugar Imports

In short tons, raw value. Sources: USDA and US Census Bureau.

	<b>Oct.-July 2020-21</b>	<b>% of Projected</b>	<b>Full-year Forecast</b>
83% of year elapsed			
<b>WTO Raw TRQ</b>	1,145,574	86%	1,326,761
WTO Refined TRQ	218,216	99%	219,411
FTA Sugar in TRQs	203,437	84%	242,463
<b>Total Quota</b>	1,567,226	88%	1,788,634
<b>Re-export Program</b>	123,316	50%	245,000
<b>Mexico</b>	807,345	84%	963,176
High-duty Sugar	152,882	85%	180,000
<b>Total Imports</b>	2,650,769	83%	3,176,810

Total imports at 83% of projected total for year are on pace with 83% of year elapsed.

WTO raw TRQ and re-export imports were raised 56,134 tons from July report.

Mexico was lowered 17,824 tons from July. WTO refined, FTA and high-duty unchanged.

**Net change in projection for 2020-21 up 38,310 tons from July.**

# SUA August 2021: SMD August 2021

Source: USDA.

<i>Short tons, Raw value</i>	June	June	Change from 19-20	
	<u>2020-21</u>	<u>2019-20</u>	<u>Tons</u>	<u>%</u>
Beginning stocks	4,140,482	3,437,530	702,952	20.4%
Total production	60,476	60,649	(173)	-0.3%
Beet	58,093	60,649	(2,556)	-4.2%
Cane	2,383	0	2,383	100%
Total imports	196,239	331,521	(135,282)	-40.8%
Total supply	4,397,197	3,829,700	567,498	14.8%
Total exports	5,682	12,431	(6,748)	-54.3%
Total deliveries	977,251	969,488	7,764	0.8%
<b>Deliveries, human use</b>	<b>969,531</b>	<b>962,741</b>	<b>6,789</b>	<b>0.7%</b>
Misc. supply adj.	35,379	(495)	35,874	-7,253%
Total use	1,018,313	981,424	36,889	3.8%
Ending stocks	3,378,885	2,848,276	530,608	18.6%



# SUA August 2021: SMD August 2021

Source: USDA.

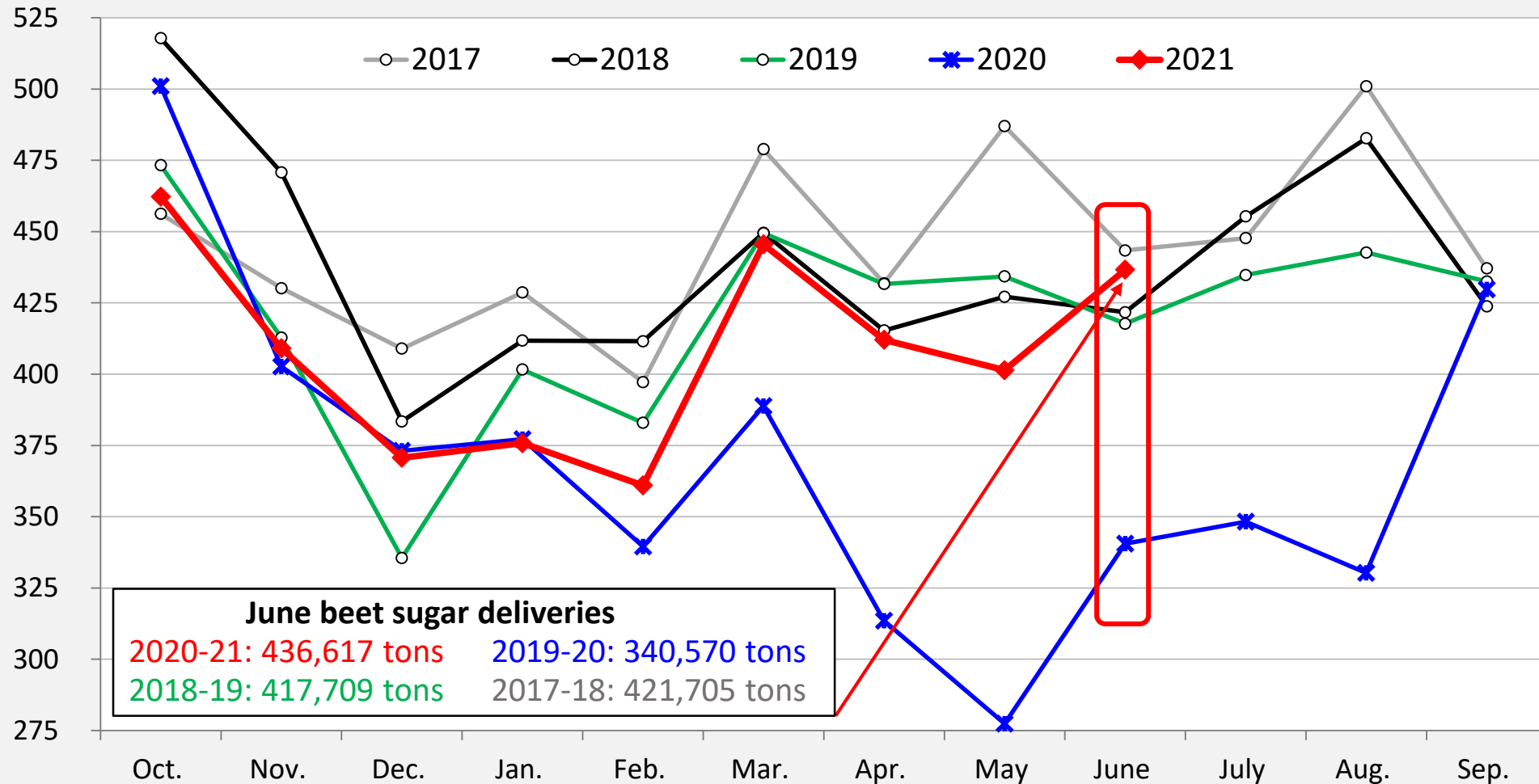
Short tons, Raw value	Oct.-June	Oct.-June	Change from 19-20	
	<u>2020-21</u>	<u>2019-20</u>	<u>Tons</u>	<u>%</u>
Beginning stocks	1,617,589	1,782,548	(164,959)	-9.3%
<b>Total production</b>	<b>8,467,659</b>	7,252,971	<b>1,214,689</b>	<b>16.7%</b>
Beet	4,341,230	3,525,674	815,555	23.1%
Cane	4,126,430	3,727,297	399,133	10.7%
Total imports	2,401,338	2,966,244	(564,906)	-19.0%
Total supply	12,486,586	12,001,763	484,823	4.0%
Total exports	38,983	27,671	11,312	40.9%
Total deliveries	9,034,647	9,106,935	(72,288)	-0.8%
<b>Deliveries, human use</b>	<b>8,955,092</b>	9,034,348	<b>(79,256)</b>	<b>-0.9%</b>
Misc. supply adj.	34,071	18,880	15,191	80.5%
Total use	9,107,701	9,153,486	(45,785)	-0.5%
Ending stocks	3,378,885	2,848,276	530,608	18.6%

USDA still projects 2020-21 deliveries for food down 99,000 tons (0.8%) from 2019-20 after adjusting last year down 92,000 tons in July WASDE due to Census errors. Current -0.9% will require 1,056,636 tons/mo in July-Sept. to meet projection.

9 Lower deliveries in June eases possibility of exceeding projection.

# SUA August 2021: Beet Sugar Deliveries

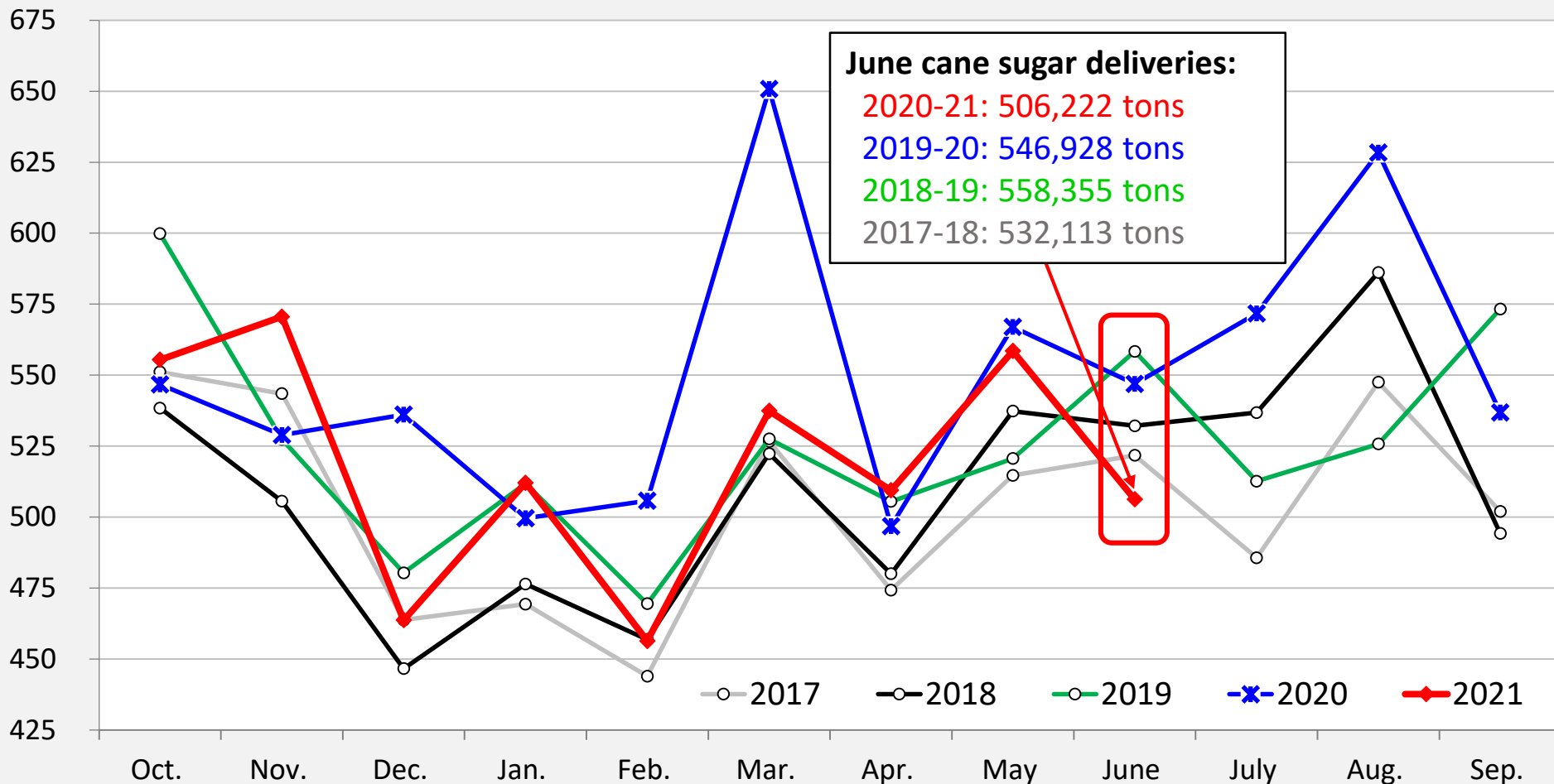
Monthly beet sugar deliveries, in 1,000 tons, raw value, fiscal year. Source: USDA



June beet sugar deliveries of 436,617 tons were up 8.8% from May and were up 28% from a year ago. Oct.-June beet deliveries of 3,674,295 tons were up 11% from a year ago, when the force majeure were in force. June beet sugar deliveries were the highest for the month since 2017.

# SUA August 2021: Refined Cane Deliveries

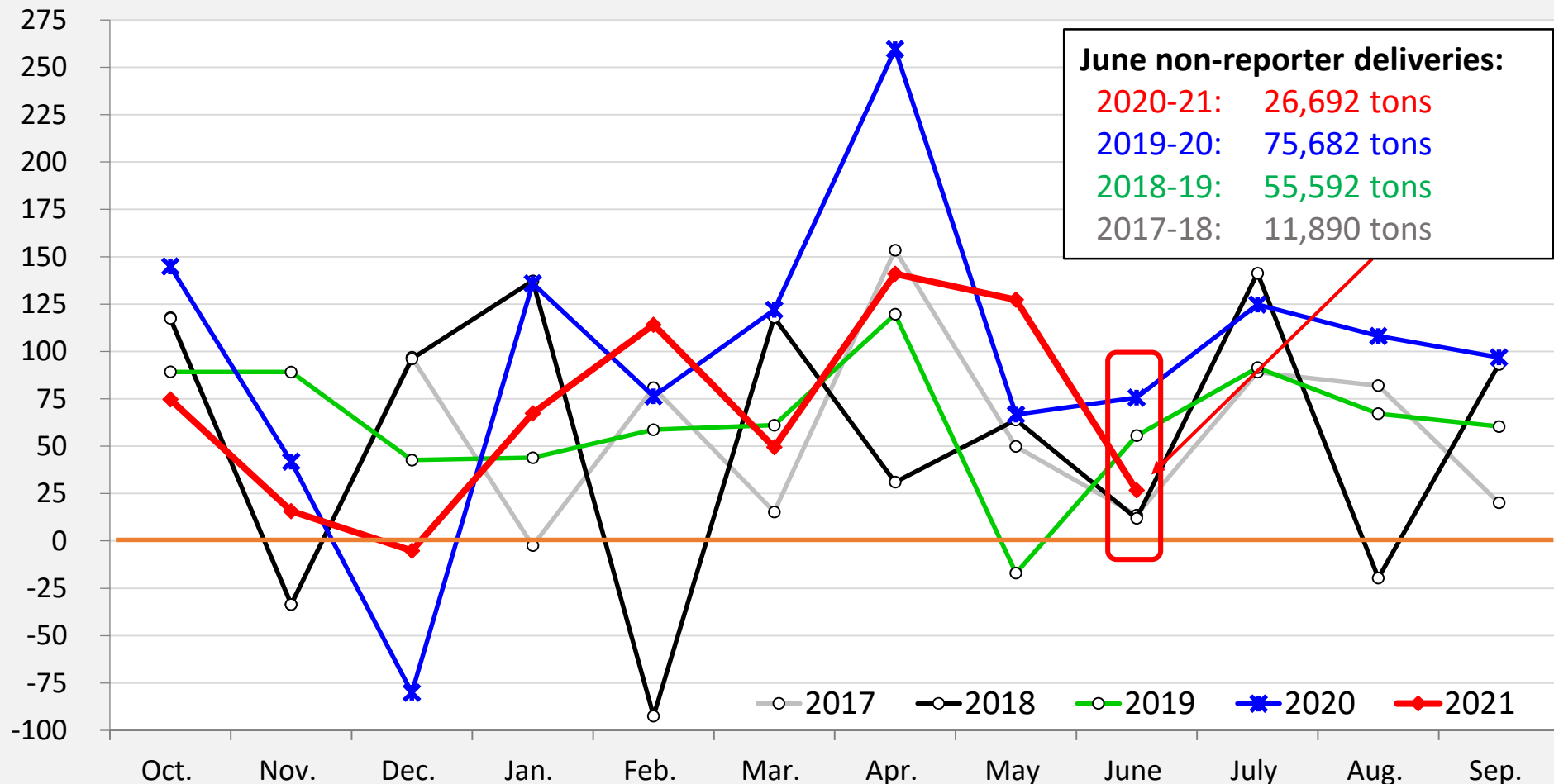
Monthly refined cane sugar deliveries, in 1,000 tons, raw value. Source: USDA



June cane sugar deliveries of 506,222 tons fell 9.4% from May and were down 7.4% from a year ago. Oct.-June deliveries of 4,669,704 tons were down 4.3% from the same period a year ago and were the lowest since 2014. Somewhat weak for June.

# SUA August 2021: Deliveries by Non-Reporters

Monthly non-reporter deliveries, in 1,000 tons, raw value. Source: USDA



Only non-reporter revision evident was a 44,000-ton increase in May. June deliveries of 26,692 tons were down 79% from May and were down 65% from June 2020. Y-T-D deliveries are down 27.5% from last year, pending further revisions. N-R deliveries remain strong Y-T-D.

# SUA August 2021: Deliveries for Human Use

<u>PRODUCT OR BUSINESS OF BUYER</u>	FY 2021	FY 2020	Oct.-June	Oct.-May
	<u>Oct.-June</u>	<u>Oct.-June</u>	<u>% change</u>	<u>% change</u>
<b>Total Deliveries/1</b> (short tons, <u>actual weight</u> )	6,967,759	6,876,195	1.9	1.3
1-Bakery, cereal, and related products	1,643,625	1,592,429	3.2	3.2
5-Confectionery and related products	649,352	694,537	-5.4	-6.5
6-Ice cream and dairy products	544,873	503,357	8.6	8.2
7-Beverages	470,274	407,504	16.3	15.4
8-Canned, bottled and frozen foods	254,949	282,948	-10.7	-9.9
4-Multiple and all other food uses	739,172	691,989	6.5	6.8
10-Non-food uses	83,936	82,651	0.0	1.6
11-Hotels, restaurants, institutions	59,910	54,376	9.0	10.2
2-Wholesale grocers, jobbers, dealers	1,506,000	1,480,650	2.8	1.7
<b>3-Retail grocers, chain stores</b>	806,916	876,899	-6.7	-8.0
12-Government agencies	10,584	7,786	30.2	35.9
9-All other deliveries	198,168	201,069	-0.5	-1.4
<b>Total Deliveries/1</b> (short tons, <u>raw value</u> )	7,455,502	7,357,529	1.9	1.3
Crystalline:	6,377,096	6,353,696	1.1	0.4
Consumer-size packages (retail)	1,437,359	1,514,246	-4.3	-5.1
Packages 50 lbs and greater	1,942,606	1,924,862	1.8	0.9
Unpackaged (bulk)	2,997,130	2,914,587	3.4	2.8
Non-crystalline/2	1,078,406	1,003,833	6.7	7.4

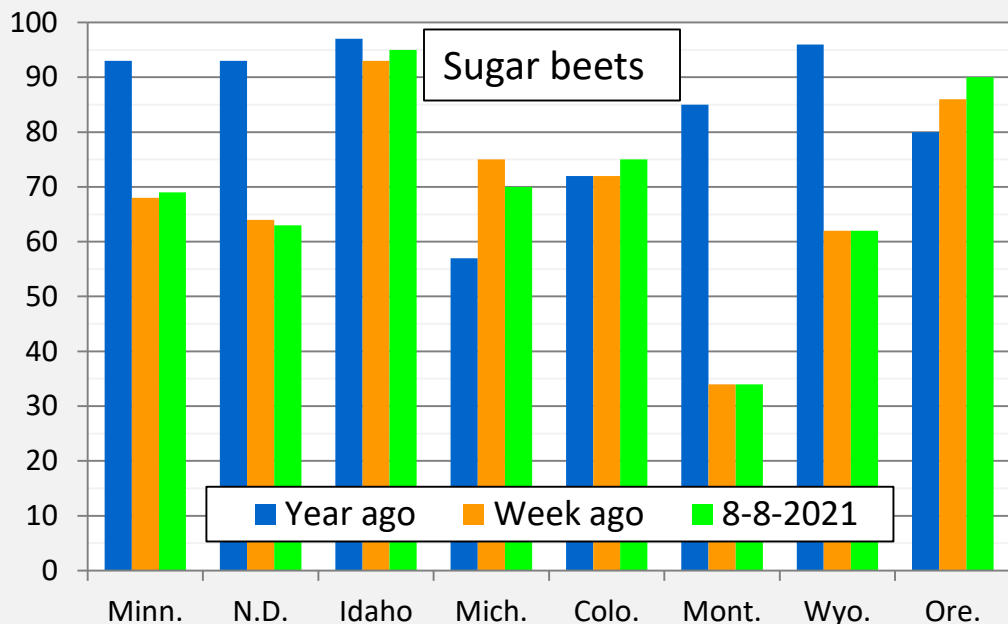
1/Deliveries from domestic sugar beet processors, sugar cane processors and refiners.

13 2/Includes all liquid, edible molasses, sugar syrups and cane juice.

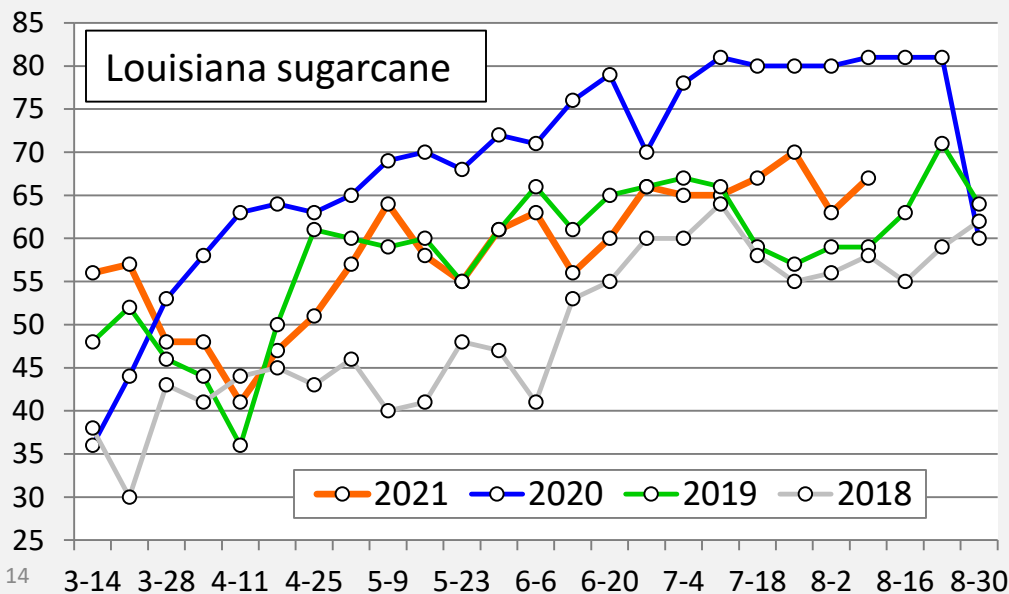
Source: USDA

# SUA August 2021: Sugar Beet/Cane Crop Ratings

Good-to-excellent ratings, in per cent, as of August 8. Source: USDA state Crop Progress reports.



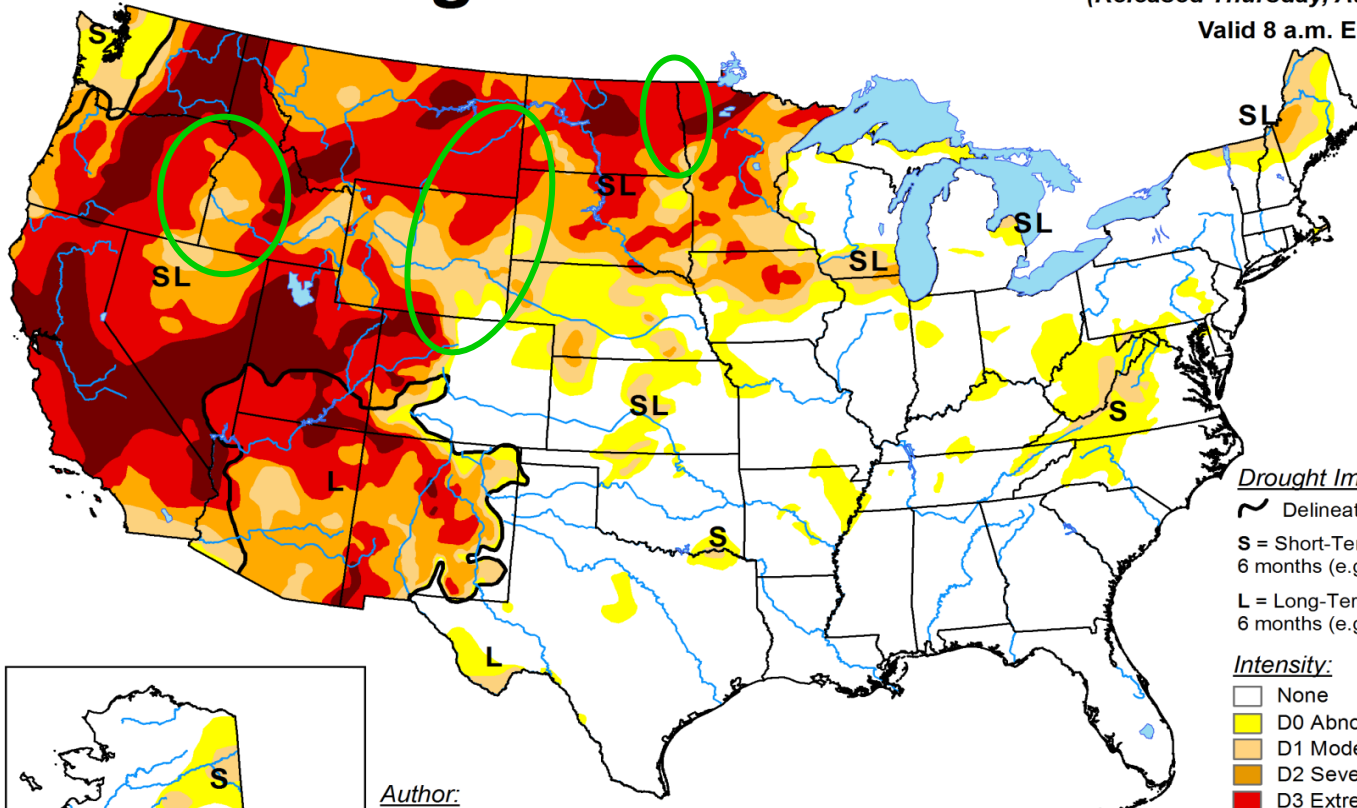
Good-to-excellent sugar beet ratings as of Aug. 8 remained below year-ago levels in many states and were mixed compared with a month ago – rising in Michigan and Idaho, falling in Montana and Wyoming and little changed in other states. Beet harvest will start a week late (Aug. 26) in the RRV, but early (Aug. 19) in Michigan. Greatest concerns are the RRV, Idaho, Montana and Wyoming.



Louisiana sugarcane was rated 67% good to excellent on Aug. 8 and has hovered between 60% and 70% since June 20, compared to around 80% a year ago. Start of harvest may be delayed to give cane more time to deposit sugar; refiners will utilize excess 2020 raws.

## U.S. Drought Monitor

August 10, 2021  
 (Released Thursday, Aug. 12, 2021)  
 Valid 8 a.m. EDT

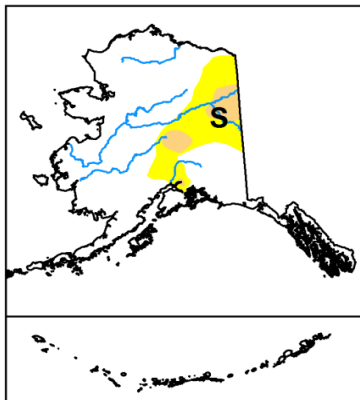


**Drought Impact Types:**

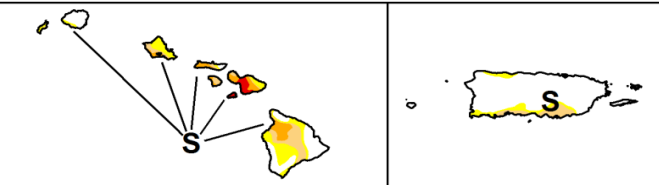
- ~ Delineates dominant impacts
- S = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)
- L = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

**Intensity:**

- None
- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought



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The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>



[droughtmonitor.unl.edu](https://droughtmonitor.unl.edu)

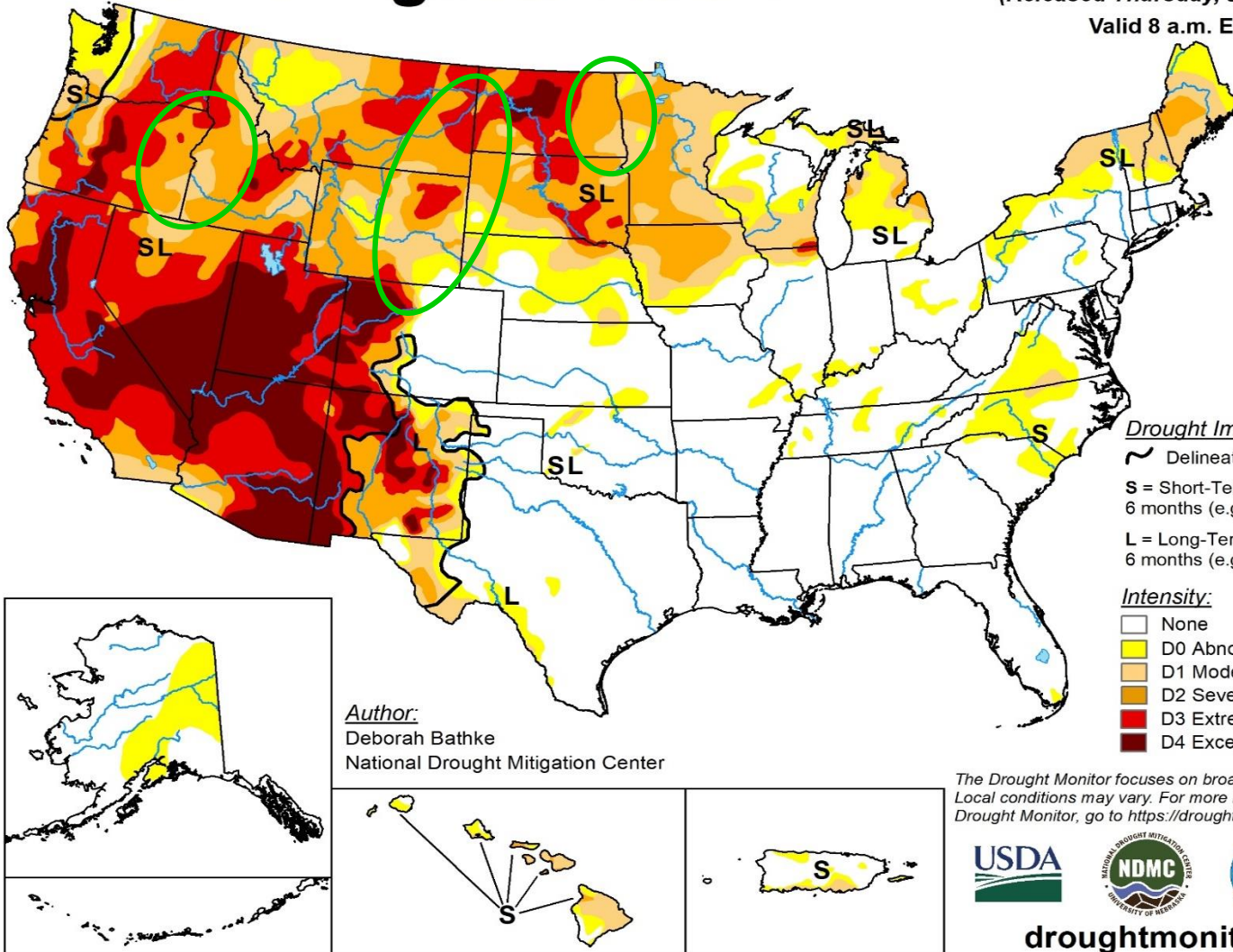
Green ovals show RRV, parts of Western and PNW beet regions.





## U.S. Drought Monitor

July 6, 2021  
 (Released Thursday, Jul. 8, 2021)  
 Valid 8 a.m. EDT



Green ovals show RRV, parts of Western and PNW beet regions.



# SUA August 2021: Sugar Beet/Cane Production

In 1,000 tons. Source: USDA August Crop Production report.

BEET	August	From 2020	
	2021	Tons	%
Minnesota	11,104	(41)	-0.4%
N. Dakota	5,422	(31)	-0.6%
Idaho	6,868	23	0.3%
Michigan	4,454	96	2.2%
Nebraska	1,326	(91)	-6.4%
Montana	1,267	78	6.6%
California	1,087	-	0.0%
Colorado	782	40	5.4%
Wyoming	869	(43)	-4.7%
Oregon	449	65	16.9%
Washington	82	(4)	-4.7%
<b>US Total</b>	<b>33,710</b>	<b>92</b>	<b>0.3%</b>

CANE	August	From 2020	
	2021	Tons	%
Florida	17,294	(1,501)	-8.0%
Louisiana	15,827	(340)	-2.1%
Texas	1,184	46	4.0%
<b>US Total</b>	<b>34,305</b>	<b>(1,795)</b>	<b>-5.0%</b>

Sugarcane production is forecast down 5% from 2020 as lower harvested area in Florida more than offsets slightly higher area in Louisiana and Texas. Yields are forecast lower in Florida and Louisiana. Harvest may start late in Louisiana.

Sugar beet production is forecast up 92,000 tons, or 0.3%, from 2020, with higher output in several states more than offsetting lower production in Minnesota, N. Dakota, Nebraska and Wyoming. Harvested area is forecast down 8,600 acres but average yield is forecast up 0.3 ton per acre, including Minnesota and North Dakota (?).

# SUA August 2021: Cash Sugar Prices - Higher

**Beet sugar 2020-21** Offers higher at 39c to 40c f.o.b. Midwest, some up to 42c. 41c in Michigan; 40c and above on the West Coast.

**Cane sugar 2020-21**  
*(cane prices thru Dec.)* Offers are at 49c a lb in the NE and West Coast. Southeast offered at 43c to 49c. Gulf offered at 41c to 49c.

**Beet & cane 2021-22** Offers higher (beet: 39c to 40c Midwest), (cane: 45c NE and WC, 43c to 44c SE, 41c to 43c Gulf).

## Recent developments and factors to watch in cash sugar market

- Two beet processors currently not selling for 2021-22, though not officially out of market; likely will re-enter in September as new-crop sugar becomes available.
- Sales for 2021-22 have slowed for most due to high level of commitments on books.
- Prices for 2021-22 below 2020-21 after January reflecting better supply.

**The market remains bullish. Supplies into early October likely will tighten due to delay in beet harvest in Upper Midwest. Opening 2021-22 TRQ early could relieve pressure and not affect overall TRQ. Mexico probably doesn't have excess raws to ship before Nov./Dec. based on USDA comments in WASDE. Tight raws keeping refined cane prices elevated.**

# SUA August 2021: Mexico WASDE

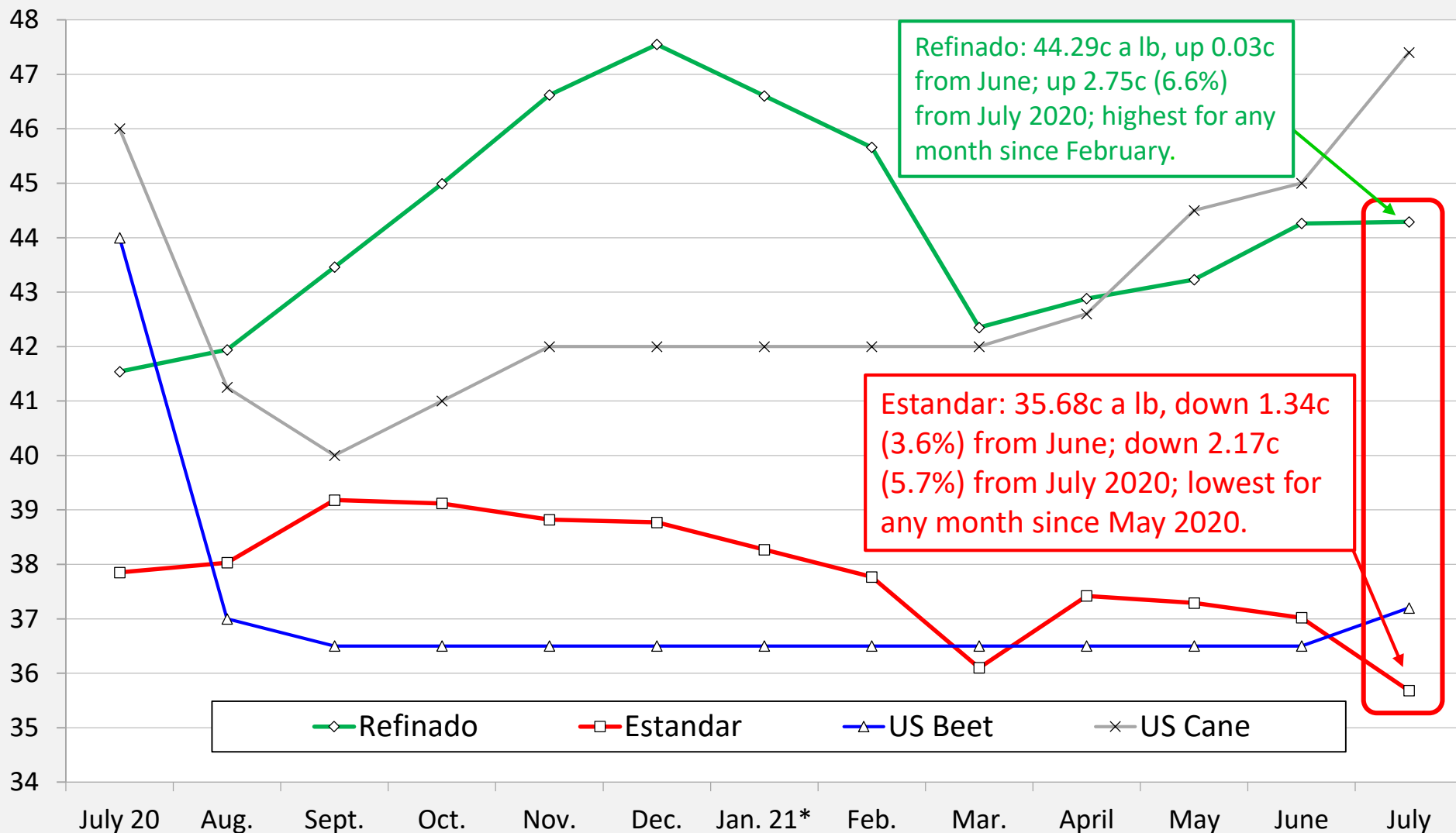
In 1,000 tonnes, actual weight. Source: USDA August 2021 WASDE

	August	Change from		August	2021-22 change from			
	<u>20-21</u>	<u>July</u>	<u>19-20</u>	<u>21-22</u>	<u>July</u>	<u>%</u>	<u>20-21</u>	<u>%</u>
<b>Begin. Stocks</b>	858	-	(311)	916	3	0.3%	58	6.8%
<b>Production</b>	5,715	7	437	5,809	-	0.0%	94	1.6%
<b>Imports</b>	105	-	28	85	-	0.0%	(20)	-19.0%
<b>Total Supply</b>	6,678	7	154	6,810	3	0.0%	132	2.0%
<b>Exports</b>	1,357	(9)	145	1,497	(14)	-0.9%	140	10.3%
<b>Domestic Use</b>	4,405	14	(50)	4,397	14	0.3%	(8)	-0.2%
<b>Total Use</b>	5,762	5	95	5,894	-	0.0%	132	2.3%
<b>Ending Stocks</b>	916	3	58	916	3	0.3%	-	0.0%
<b>S-T-U (total)</b>	15.9%	-	+0.8	15.5%	-		- 0.4	
<b>S-T-U (dom.)</b>	20.8%	-	+1.5	20.8%	-		-	

Again only minor changes to Mexico's S&D numbers for both this year and next year. Exports for both years were reduced slightly. Although some private estimates for 2021-22 sugar production are lower than USDA, supplies for export still should be adequate.

# SUA August 2021: US & Mexico Sugar Prices

Average monthly cash prices in cents/lb. \*Prices average of before/after months.



Sources: USDA and Sosland Publishing Company.

# SUA August 2021: New York #16 Raw Futures

ICE domestic raw sugar futures as of August 11, 2021, in cents per lb. Source: Tech Nova

Contract	Last	Net Change	High	Low	Volume	Open Interest	Time	Settlement
ESFX21 (D10)	34.15 S	0.15			200	2119	1:35:53 PM EDT - 08/11/21	34.15 S
ESFF22 (D10)	33.15 S	0.15	33.15	33.10	20	1092	1:35:53 PM EDT - 08/11/21	33.15 S
ESFH22 (D10)	33.43 S	0.43	33.45	33.40	200	915	1:35:53 PM EDT - 08/11/21	33.43 S
ESFK22 (D10)	33.15 S	0.45	33.50	33.00	320	610	1:35:53 PM EDT - 08/11/21	33.15 S
ESFN22 (D10)	33.10 S	0.55			0	460	1:35:53 PM EDT - 08/11/21	33.10 S
ESFU22 (D10)	33.10 S	0.60			0	500	1:35:53 PM EDT - 08/11/21	33.10 S
ESFX22 (D10)	32.10 S	0.02			230	970	1:35:53 PM EDT - 08/11/21	32.10 S
ESFF23 (D10)	31.45 S	0.00			220	920	1:35:53 PM EDT - 08/11/21	31.45 S
ESFH23 (D10)	31.45 S	0.00			220	1110	1:35:53 PM EDT - 08/11/21	31.45 S
ESFK23 (D10)	31.45 S	0.00			220	950	1:35:53 PM EDT - 08/11/21	31.45 S
ESFN23 (D10)	31.45 S	0.00			0	540	1:35:53 PM EDT - 08/11/21	31.45 S

Above prices from August 11; Spot November shot up to 35.10c on Aug. 12. September expired Aug. 9 at 36.73c. Spot price is down from a month ago, but prices remain very strong through 2022, which would suggest continued firm refined cane sugar prices. Figure refined cane sugar prices at 8c to 10c above the futures value, so 40c + refined prices may be around for a while, unless supplies push raw prices lower. In addition, higher freight rates will boost delivered prices even more.

# SUA August 2021: Global Sugar Overview

## ■ Global supply/demand fundamentals

- Brazil's sugar production down sharply from 2020-21 (2021-22 began there April 1) on drought earlier in season and recent frosts, which encouraged early harvest of damaged sugarcane.
- Lower Brazil production may push market into deficit in 2021-22.
- India's export sales in 2020-21 near 7 million tonnes, 2 million over subsidized level, on strong global prices; some 2021-22 sales also on the books which is unusual for India.
- Ongoing weak nearby global sugar demand evident.
- Uncertain impact from COVID-19 delta.
- Logistics and high freight costs remain a major concern and disruptor.

## ■ Pricing

- Nearby raws (No. 11) rose to 4-year highs and have continued rising on lower Brazil production due to frosts and earlier drought.
- Large fund net long continues in No. 11 futures and has been further buoyed by Brazil situation.



# SUA August 2021: New York #11 Raw Futures

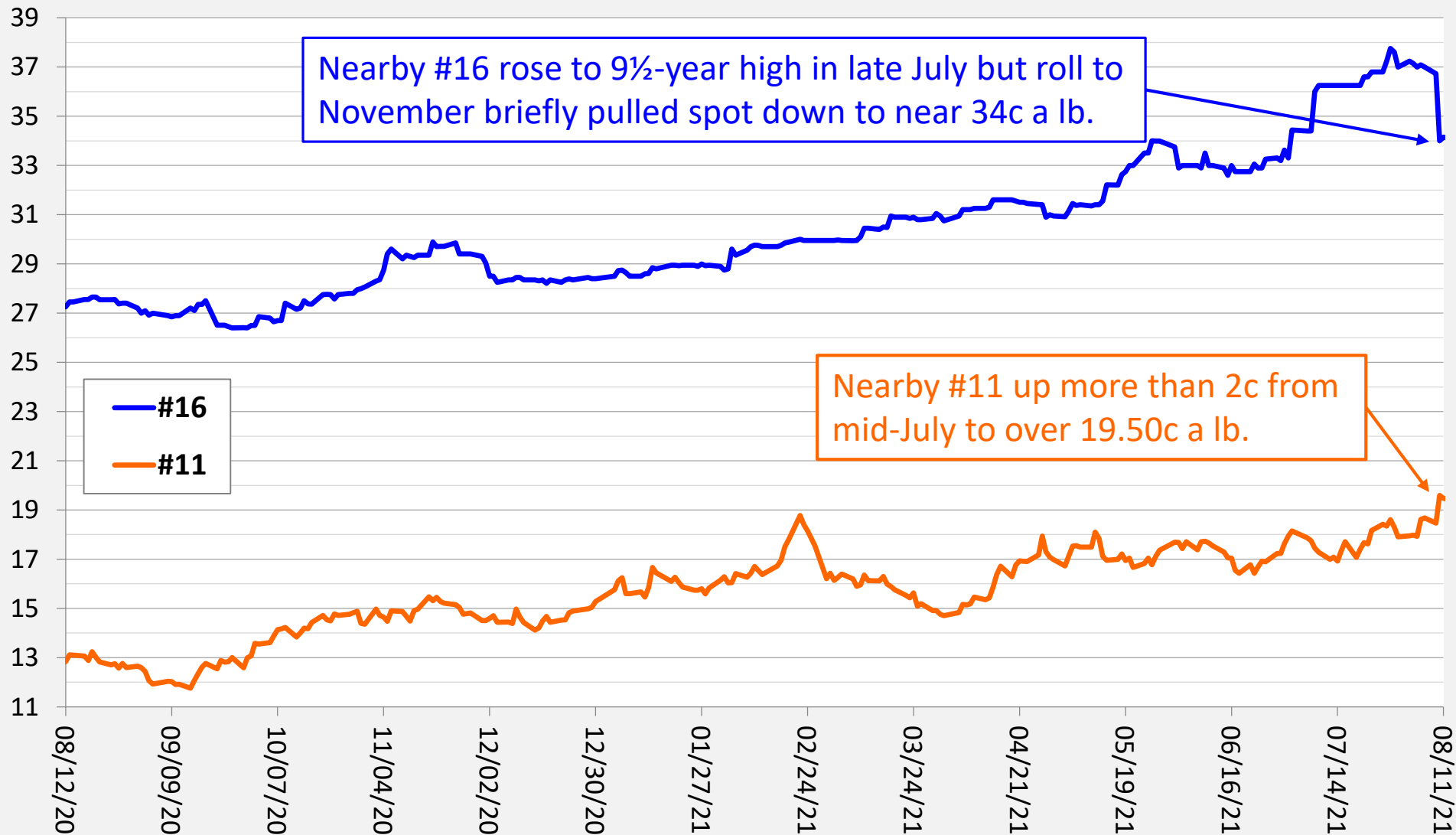
ICE world raw sugar futures as of August 11, 2021, in cents per lb. Source: Tech Nova

Contract	Last	Net Change	High	Low	Volume	Open Interest	Time	Settlement
ESBV21 (D10)	19.47 S	-0.12	19.67	19.30	55011	414098	1:05:27 PM EDT - 08/11/21	19.47 S
ESBH22 (D10)	19.96 S	0.02	20.03	19.77	32843	236785	1:05:27 PM EDT - 08/11/21	19.96 S
ESBK22 (D10)	18.95 S	0.06	19.00	18.75	11167	115155	1:05:27 PM EDT - 08/11/21	18.95 S
ESBN22 (D10)	17.94 S	0.08	17.98	17.77	6427	92077	1:05:27 PM EDT - 08/11/21	17.94 S
ESBV22 (D10)	17.34 S	0.10	17.38	17.14	1964	62539	1:05:27 PM EDT - 08/11/21	17.34 S
ESBH23 (D10)	17.20 S	0.12	17.24	16.92	951	29812	1:05:27 PM EDT - 08/11/21	17.20 S
ESBK23 (D10)	16.33 S	0.11	16.37	16.03	542	13814	1:05:27 PM EDT - 08/11/21	16.33 S
ESBN23 (D10)	15.49 S	0.11	15.53	15.20	554	17630	1:05:27 PM EDT - 08/11/21	15.49 S
ESBV23 (D10)	14.86 S	0.11	14.88	14.65	246	13317	1:05:27 PM EDT - 08/11/21	14.86 S
ESBH24 (D10)	14.80 S	0.15	14.85	14.66	36	2298	1:05:27 PM EDT - 08/11/21	14.80 S
ESBK24 (D10)	14.31 S	0.15			0	940	1:05:27 PM EDT - 08/11/21	14.31 S
ESBN24 (D10)	13.97 S	0.15			0	43	1:05:27 PM EDT - 08/11/21	13.97 S

No. 11 world raw sugar prices have advanced more than 2c a lb in nearby months since mid-July. Second month March closed above 20c on Aug. 12. Primary price driver was several frost events in Brazil that prompted early harvest of cane fields that weren't ready, thus reducing sugar production. Most analysts have lowered forecasts for Brazil's production for this year, and next year may be reduced as well. The Brazil situation may push market into global deficit in 2021-22.

# SUA August 2021: World/Domestic Futures

Nearby ICE New York raw sugar futures, in cents per lb, as of August 11, 2021.





# SUA August 2021: Corn Sweeteners

Cents/lb or \$/cwt. NOTE: Prices shown reflect sales to small/med. users; large sales lower.

## 42% HFCS Spot

	<u>2021</u>	<u>2020</u>
Midwest	25½-26	25½-26
Northeast	27-27½	27-27½
Southeast	27¼-27¾	27¼-27¾
South	26¾-27¼	26¾-27¼
West	27½-28¾	27½-28¾

Nearby demand for corn sweeteners remains good as more venues reopen, but long-term trend is still lower.

Corn sweetener prices for 2022 are expected to be up sharply from 2021 due to higher corn prices plus higher energy, freight, input and labor costs.

## 55% HFCS Spot

	<u>2021</u>	<u>2020</u>
Midwest	32¾-33¾	32¾-33¾
Northeast	34¼-35¼	34¼-35¼
Southeast	34¼-35¼	34¼-35¼
South	34-35	34-35
West	34¾-35¾	34¾-35¾

USDA left Mexico HFCS consumption forecasts for this year and next year unchanged from July. Oct.-June consumption was down 4.3% from year ago vs down 3.6% in Oct.-May; 2020-21 forecast of 1,325,000 tons is down 4.5% from 2019-20.

## Corn Syrup Spot

	<u>2021</u>	<u>2020</u>
Midwest	36¾-37¼	36¾-37¼
Northeast	39-39½	39-39½
Southeast	39-39½	39-39½
South	40-40½	40-40½
West	41-41½	41-41½

USDA's August WASDE projected higher corn use of food, seed, industrial in both 2020-21 and 2021-22, may translate to higher use for corn sweeteners. Await Feed Outlook for confirmation.

## Dextrose Spot

	<u>2021</u>	<u>2020</u>
East	42-42½	42-42½
Midwest	41-41½	41-41½
South	43-43½	43-43½
West	44-44½	44-44½

USDA forecast US 2021 corn production at 14,750 million bus, up 4% from 2020 but below average of trade expectations.

- Fair Sugar Policy Act reintroduced
- Zero-for-Zero sugar bill reintroduced
- Food Labeling Modernization Act reintroduced
- The wide beet sugar/refined cane sugar spread has some talking about the value of non-GMO (cane) sugar
- Logistics congestion and freight rates remain the major market issues beyond supply/demand fundamentals

# SUA August 2021: Conclusions

- **Domestic Sweetener Market**
  - Supplies are tight but sugar is available at a price.
  - Refined cane sugar at 9-year highs for rest of 2021.
  - Late beet harvest will tighten nearby supplies into October.
  - Deliveries are mixed based on seller indications.
  - Beet processors are highly booked for 2021-22; cane refiners' sales above average for date.
  - Imports are on track to meet expectations for 2020-21.
  - Argument could be made to open TRQ early.
  - Nearby corn sweetener demand is good; prices for 2022 expected sharply higher.
- **Global Sugar Market**
  - Nearby world market adequately supplied due to weak demand.
  - Supplies are tightening due to lower production in Brazil.
  - Moving to global deficit in 2021-22?
  - Nearby raw futures prices near 20c a lb.